

Message Text

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PAGE 01 LA PAZ 07842 291518Z
ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 TRSE-00 OMB-01 AID-05
COME-00 /033 W

-----088637 300301Z /64

R 291501Z SEP 77
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 7380

UNCLAS LA PAZ 7842

E.O. 11652: N/A
TAGS: BEXP, BL
SUBJ: FCIA CREDIT INSURANCE REQUEST TO COVER SALE OF SCHOOL BUSES
TO SIDEC OVERSEAS (BOLIVIANO) S.A.

REF: STATE 228363

1. EMBASSY WTDR OF MAY, 1973, SHOWS SIDEC OVERSEAS (BOLIVIA) SALES OF \$1 MILLION, AND A PAID-IN CAPITAL OF \$250,000. ACCORDING TO BANK REFERENCES OF THE SAME YEAR, THE FIRM ENJOYED A GOOD COMMERCIAL REPUTATION AND OBLIGATIONS WERE MET PROMPTLY. IN THE PAST THE FIRM HAS ACTED AS AGENT, RETAILER AND DISTRIBUTOR OF PRODUCTS IMPORTED FROM JAPAN. FOREIGN FIRMS REPRESENTED IN 1973 INCLUDED C. ITOH CO, ISUZU MOTORS, AND NISSAN, ALL OF JAPAN.

2. ACCORDING TO INFORMATION OBTAINED FROM BANKING SOURCES IN 1973, SIDEC OVERSEAS BOLIVIA IS A WHOLLY OWNED SUBSIDIARY OF SIDEC OVERSEAS CORPORATION OF PANAMA. THE PRINCIPALS OF THE PANAMANIAN FIRM WERE IDENTIFIED AS DAVID RICH AND MAX KORNGOLD OF 155 EAST 44TH ST, NEW YORK, NY 10017.

3. BOLIVIA IS AN ACTIVE MARKET FOR SUPPLIERS OF "SCHOOL BUS" TYPE VEHICLES, WHICH ARE EXTENSIVELY USED FOR URBAN TRANSPORTATION. MOST OF THE BUSES OF THIS KIND NOW IN SERVICE IN BOLIVIA HAVE BEEN IMPORTED FROM THE ARGENTINE OR BRAZILIAN SUBSIDIARIES OF US AUTO COMPANIES. FEW HAVE BEEN PRUCHASED DIRECTLY FROM THE
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US BECAUSE OUR DELIVERY TIMES AND FINANCIAL TERMS HAVE NOT BEEN COMPETITIVE. THE VEHICLES SHOULD BE EQUIPPED FOR SERVICE UNDER DIFFICULT CONDITIONS, E.G., AT VERY HIGH ALTITUDES (UNLESS FOR SANTA CRUZ) AND ON ROUGH, UNPAVED ROADS. LACKING THIS TYPE OF EQUIPMENT THE BUSES MAY BE DIFFICULT TO SELL, AND IF SOLD, MIGHT BECOME THE SOURCE OF A DISPUTE THAT COULD JEAPORDIZE PAYMENT AT A LATER DATE.

4. AUDITORIS ASOCIADOS IS A WELL ESTABLISHED LOCAL AUDITING FIRM WHOSE OWNERS INCLUDE A FORMER MINISTER OF FINANCE AND THE CURRENT PRESIDENT OF THE CENTRAL BANK. THE OWNERS ENJOY AN EXCELLENT REPUTATION IN COMMERCIAL AND FINANCIAL CIRCLES. BANKING SOURCES, HOWEVER, CONSIDER THE AUDITING TECHNIQUES EMPLOYED BY THE FIRM TO BE OUT OF DATE.

5. WE KNOW OF NO REASON WHY EXIM SHOULD NOT REPEAT NOT CONSIDER THIS REQUEST.
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Handling Restrictions: n/a
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Original Classification: UNCLASSIFIED
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Reference: 77 STATE 228363
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1359113
Secure: OPEN
Status: NATIVE
Subject: FCIA CREDIT INSURANCE REQUEST TO COVER SALE OF SCHOOL BUSES TO SIDEC OVERSEAS (BOLIVIANO) S.A.
TAGS: BEXP, BL
To: STATE
Type: TE
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